

What are the different types of business insurance? Here's your guide.



Running a business comes with risks, but the right coverage can help. By understanding the [main types of business insurance](#), you'll know which policies fit your needs and how to keep your company safe. See 13 policies every business owner should know and how each one could protect your bottom line.

Understanding the types of business insurance.

- **Businessowners policy (BOP).** A [businessowners policy](#) is ideal for many small businesses. It combines property and general liability insurance into one policy.
- **Commercial package policy.** [This type of policy](#) is best for mid-size and large businesses. It combines property and general liability insurance into one policy.
- **Workers compensation.** If you have employees, most states require [workers compensation coverage](#). It provides benefits if an employee gets injured or sick on the job, covering medical expenses and lost wages, while also protecting your business from costly lawsuits.
- **Cyber and information protection.** In today's digital world, a data breach or cyberattack can be devastating. [Cyber and information protection coverage](#) helps you recover from a breach or cybercrime. This product combines cyber liability and data breach insurance into one policy.
- **Commercial auto.** If your business owns vehicles, [commercial auto insurance](#) covers accidents, damage, or injuries involving those vehicles. Even if employees use personal cars for work, you may need hired and non-owned auto coverage.
- **Commercial umbrella.** [Commercial umbrella insurance](#) offers extra protection beyond your liability policy limits.
- **Equipment breakdown.** [This type of coverage helps you recover](#) from loss or damage to mechanical equipment, building systems, inventory, loss of income, and extra expenses resulting

from physical or mechanical failures, while also covering the costs associated with some mandatory equipment inspections.

- **Professional liability (Errors & Omissions).** If your business provides professional services or advice, [professional liability insurance](#) can help cover claims of negligence, mistakes, or failure to deliver a promised service.
- **Employee benefits liability.** Coverage to help you recover from claims filed by employees related to negligent administration (communication, record keeping, termination) of their benefits plan. Benefits may include group insurance coverage, pension plans, and more.
- **Commercial crime.** [Coverage to help you recover from employee theft](#), forgery or alterations, computer and funds transfer fraud, and more.
- **Inland marine.** [Inland marine offers coverage](#) for movable property during transport over land or stored off-site, protecting against theft, damage, and other risks not covered by standard business insurance.
- **Employment-related practices liability (EPLI).** [Coverage for legal fees associated with employee lawsuits](#) for claims of discrimination, harassment, wrongful termination, and more.
- **Business interruption insurance.** When a disaster forces you to temporarily shut down, business interruption coverage helps replace lost income and cover ongoing expenses, like rent, utilities, and payroll until you're back on your feet.

Choosing the right types of business insurance.

The right insurance depends on your unique risks, industry, and goals. Start by considering how your business operates. Do customers visit your space? Do you rely on equipment or data? Do you have employees? These factors will guide which policies matter most. Many small businesses begin with a businessowners policy (BOP), then add tailored options, depending on their needs. Laws in your state may also require certain policies, such as workers compensation or commercial auto coverage, so it's important to review both legal requirements and industry standards.

Remember, as your business grows, it's important to [review the types of business insurance you have](#) regularly to ensure your protection keeps pace. For help at every turn, [talk to a local, independent agent](#). They'll act as an extension of your team with the experience and expertise to keep you on track.

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